

Chapter 189, P.L. 2001

(Approved July 31, 2001)

SENATE, No. 812 STATE OF NEW JERSEY

209th LEGISLATURE

INTRODUCED JANUARY 31, 2000

Sponsored by:

Senator JOSEPH M. KYRILLOS, JR.

District 13 (Middlesex and Monmouth)

SYNOPSIS

Allows certain municipal authorities to offer incentive to waive SHBP coverage to employees eligible for spouse's health care coverage.

CURRENT VERSION OF TEXT

As introduced.

AN ACT concerning the health care benefits of employees of certain municipal authorities participating in the State Health Benefits Program and amending P.L.1995, c.259.

BE IT ENACTED *by the Senate and General Assembly of the State of*

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New Jersey:

1. Section 36 of P.L.1995, c.259 (C.52:14-17.31a) is amended to read as follows:

36. Notwithstanding the provisions of any other law to the contrary, a municipality, or a municipal authority created by a municipality pursuant to P.L.1946, c.138 (C.40:14A-1 et seq.) or P.L.1957, c.183 (C.40:14B-1 et seq.), which participates in the State Health Benefits Program, established pursuant to P.L.1961, c.49 (C.52:14-17.25 et seq.), may allow any employee who is eligible for coverage as a dependent of the employee's spouse under that program or under another health benefits plan offered by the spouse's employer, whether a public or private employer, to waive coverage under the State Health Benefits Program to which the employee is entitled by virtue of employment with the municipality or the municipal authority. The waiver shall be in such form as the Director of the Division of Pensions and Benefits shall prescribe and shall be filed with the division. After such waiver has been filed and for so long as that waiver remains in effect, no premium shall be required to be paid by the municipality or the municipal authority, as the case may be, for the employee or the employee's dependents. Not later than the 180th day after the date on which the waiver is filed, the division shall refund to the municipality or the municipal authority the amount of any premium previously paid by the municipality or the municipal authority with respect to any period of coverage which followed the filing date. In consideration of filing such a waiver, a municipality or a municipal authority may pay to the employee annually an amount, to be established in the sole discretion of the municipality or the municipal authority, which shall not exceed 50% of the amount saved by the municipality or the municipal authority because of the employee's waiver of coverage. An employee who waives coverage shall be

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

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permitted to immediately resume coverage if the employee ceases to be covered through the employee's spouse for any reason, including, but not limited to, the retirement or death of the spouse or divorce. An employee who resumes coverage shall repay, on a pro rata basis, any amount received from the municipality or the municipal authority which represents an advance payment for a period of time during which coverage is resumed. An employee who wishes to resume coverage shall notify the municipality or the municipal authority in writing and file a declaration with the division, in such form as the director of the division shall prescribe, that the waiver is revoked. The decision of a municipality or a municipal authority to allow its employees to waive coverage and the amount of consideration to be paid therefor shall not be subject to the collective bargaining process.

(cf: P.L.1995, c.259, s.36)

2. This act shall take effect immediately.

STATEMENT

This bill provides that a municipal authority created by a municipality under the municipal sewerage authorities law, N.J.S.A.40:14A-1 et seq., or the municipal and county utilities authority law, N.J.S.A.40:14B-1 et seq., which participates in the State Health Benefits Program (SHBP) may allow any employee who is eligible for coverage as a dependent of the employee's spouse under that program or under another health benefits plan offered by the spouse's employer, whether a public or private employer, to waive the SHBP coverage to which the employee is entitled by virtue of employment with the municipal authority. In consideration of filing such a waiver, a municipal authority may pay to the employee annually an amount, to be established in the sole discretion of the authority, which shall not exceed 50% of the amount saved by the authority because of the employee's waiver of coverage. Current law

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permits any municipality participating in SHBP to offer such a waiver incentive.

Under the bill, an employee who waives coverage will be permitted to immediately resume coverage if the employee ceases to be covered through the employee's spouse for any reason, including, but not limited to, the retirement or death of the spouse or divorce. An employee who resumes coverage will repay, on a pro rata basis, any amount received from the municipal authority which represents an advance payment for a period of time during which coverage is resumed.

The bill also provides that the decision of a municipal authority to allow its employees to waive SHBP coverage and the amount of consideration to be paid therefor will not be subject to the collective bargaining process.